

## **Chapter 3**

### **ECONOMIC CONDITIONS**

#### **INTRODUCTION**

An analysis of the structure and vitality of a community's economy is fundamental to future land use planning. Studies of the structure of the local economy identify the important economic activities within the community. The extent of economic activity and the population supported by such activity influences future land development. The health and growth of the local economy is a key determinant of how rapidly land will be converted to various uses.

In this, the 2001 update of the 1996 Comprehensive Plan, we will also have the ability to track changes and measure trends that have occurred over the last ten years. This will provide valuable insight into the nature of growth that has occurred and the effects of the policies implemented over this time period.

#### **EMPLOYMENT BY INDUSTRY**

Employment information at the county level is available for industries covered by unemployment insurance. This generally includes all workers except self-employed individuals, unpaid family members, some student workers, agricultural workers, domestic workers, rail workers, employees of certain religious organizations and certain government employees. A summary of employment in industries covered by unemployment insurance for the period 1986 to 1992 is shown in Figure 3-1.

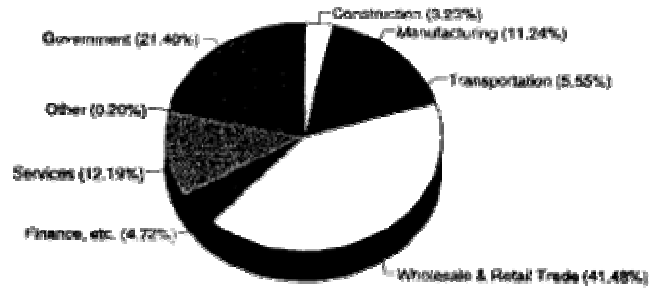
Grant County had a net increase of 768 jobs (28.2%) from 1986 to 1992, and an increase of at least 800 jobs from 1995 to 2000 (some data is not yet available from the census for 1997). For the period of 1995 to 2000, the sector with the greatest increase in jobs was the manufacturing industry which added 770 jobs during the period, an increase of 50.6%. From 1992 to 1997 the sector with the largest growth rate was the construction industry, which added 239 jobs, more than doubling in this period. The retail sector added the most jobs, 357, which was an increase of 25%. The service sector also grew significantly, doubling from 426 jobs to 856. In recent years, manufacturing has grown in leaps, with new plants starting up in the industrial parks of Crittenden and Dry Ridge, although these have not yet shown up in these figures. Another industrial park/economic development project in Williamstown promises new opportunity for growth in this employment sector. As seen in figure 3-2, manufacturing jobs have the highest salaries of all sectors, with positive growth across the board. Figure 3-2 also shows that average weekly wages increased overall from 1986 to 1992 with an average increase of 27.1 percent, and from 1992 to 1997 with an increase of 12%.

#### **MANUFACTURING**

According to the *1991 Kentucky Directory of Manufacturers*, there are nine manufacturing firms in Grant County. Four are located in Williamstown and five are located in Dry Ridge. Table 3-1 lists each manufacturing firm, the date the local facility was established, primary products and the average employment for 1991. While the manufacturing sector was second only to wholesale and retail trade jobs in 1986, it is now fourth after wholesale and retail trade, state and local government, and services. The number of manufacturing jobs is expected to remain steady for the immediate future. Manufacturing, although declining, is still important to the economy of Grant County as it provides relatively high paying jobs and draws money into the local economy.

Figure 3-1

**EMPLOYMENT TRENDS IN GRANT COUNTY 1986-1992**  
**1992 EMPLOYMENT BY INDUSTRIES COVERED BY UNEMPLOYMENT INSURANCE:**



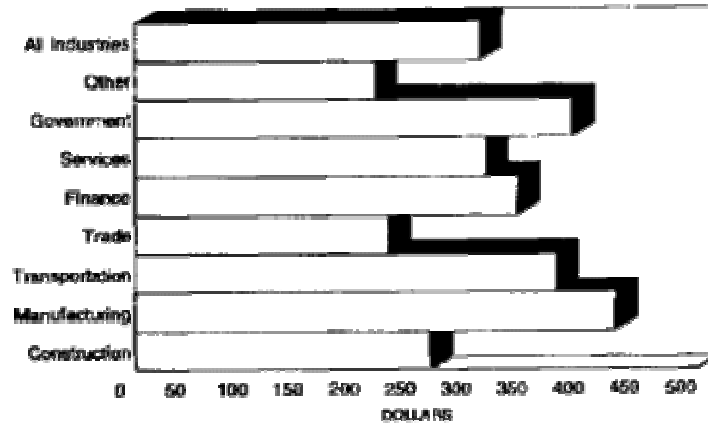
Industry	Year				% Change
	1986	1988	1992	1997	1986-1992
Mining & Quarrying	0	0	0	0	---
Contract Construction	80	164	113	n	41.3%
Manufacturing	642	659	393	n	-38.8%
Transportation, communications & Public Utilities	111	143	194	n	74.8%
Wholesale & Retail Trade	930	1,145	1,450	n	55.9%
Finance, Insurance & Real Estate	141	151	165	n	17.0%
Services	256	355	426	n	66.4%
State & Local Government	558	631	749	n	34.1%
Other	11	11	7	n	-36.4%
Total	2,728	3,259	3,496	n	28.2%

Source: 1988 & 1990 Kentucky Economic Statistics, Kentucky Dept. of Economics Development and 1992 Kentucky Deskbook of Economic Statistics, Kentucky Cabinet

Figure 3-2

AVERAGE WEEKLY WAGES BY INDUSTRY IN GRANT COUNTY 1986-1992

1992 Average Weekly Wages



	Year			% Change
Industry	1986	1988	1992	1986-1992
Mining & Quarrying	\$0.00	\$0.00	\$0.00	---
Contract Construction	\$185.71	\$241.29	\$263.53	41.9%
Manufacturing	\$285.38	\$312.19	\$428.44	50.1%
Transportation, communications & Public Utilities	\$391.65	\$425.88	\$374.96	-4.3%
Wholesale & Retail Trade	\$173.88	\$183.07	\$225.52	29.7%
Finance, Insurance & Real Estate	\$250.46	\$270.68	\$341.95	36.5%
Services	\$211.25	\$238.06	\$313.53	48.4%
State & Local Government	\$304.02	\$316.71	\$389.80	28.2%
Other	\$121.68	\$173.10	\$214.28	76.1%
Total	\$243.27	\$258.66	\$309.20	27.1%

Source: 1988 & 1990 Kentucky Economic Statistics, Kentucky Dept. of Economics Development and 1992 Kentucky Deskbook of Economic Statistics, Kentucky Cabinet

**TABLE 3-1**  
**MANUFACTURING FIRMS - 1991**

FIRM (Date Established)	PRODUCT	AVERAGE EMPLOYMENT
<b>Williamstown</b>		
Automated Building Components (1987)	Roof & floor wood trusses, prefab house panels	25
Grant County News (1906)	Newspaper	10
Phillips Driscopipe, Inc. (1973)	Polyethylene pipe & tubing	79
Sun Manufacturing (1985)	Automotive transmission parts	95
<b>Dry Ridge</b>		
Alpha Manufacturing Group, Inc. (1991)	Military mess kits, gasoline lanterns, portable gasoline stoves & photovoltaic cells	105
Grant County Concrete Co. Inc. (1960)	Ready-mixed concrete	8
Gusher Pumps (1975)	Centrifugal pumps	96
Kassco (1972)	Booklets, catalogs, brochures, offset & lithographic printing	3
Ohio Truck Body Manufacturing, Inc. (1980)	Motor vehicle beds, truck trailers, truck bodies	30
Dana Corp	Automotive axles etc.	550
Joseph Edward Co.	Plastic Bags	85
East Ky Power Co.	Service center	25
Miami Valley Paper Tube Co.	Paper tubing	25
Powell Structural Systems	Roof trusses	75
Wolf Steel Inc.	Gas Grills & fireplace logs	120

Source: Kentucky Directory of Manufacturers

Several new firms have located in Grant County since the advent of the Grant County Industrial Authority. The new industrial park in Williamstown has a military cemetery slated for it, as well as several new prospects, which will bring employment to the area.

## WHOLESALE AND RETAIL TRADE

The wholesale and retail trade industry provides 47 percent of the jobs covered by unemployment in Grant County, up from 41.5 percent in 1992. The wholesale and retail trade sector provides more jobs than any other industry in the county. The U.S. Department of Commerce periodically conducts a census of retail sales, service industry sales, manufacturing and wholesale trade. The latest such census was conducted in 1992, with the next such census

due for 2002. In 1987, there were 12 wholesale trade establishments in Grant County with sales of \$51,116,000. In 1992, there were 13 wholesale trade establishments. Sales information for 1992 has not been published in order to avoid disclosing data for individual companies.

The growth in retail trade is more dramatic. In 1987, there were 71 retail trade establishments in Grant County with total sales of \$65,975,000. In 1992, there were 119 retail establishments with sales of \$121,093,000, an increased in sales of 83.5 percent. Forty of the 119 retail establishments were located in Williamstown. Table 3-2 shows the number of retail establishments by type in 1987, 1992 and 1997. Eating and drinking places increased the most with three times as many establishments in 1992 compared to 1987.

<b>Table 3-2</b>			
<b>retail trade establishments with payroll</b>			
	<u>1987</u>	<u>1992</u>	<u>1997</u>
Building Materials, Garden Supplies	4	6	6
General Merchandise	5	4	4
Food Stores	16	13	17
Auto Dealers & Service Stations	18	20	20
Furniture, Home Furnishings	5	9	6
Eating and Drinking Places	12	36	30
Drug and Proprietary	4	3	3
Other	7	28	24
Total	71	119	110

In addition, there were also 14 apparel and accessory stores in 1992, which are included in the "Other" category.

## **SERVICE INDUSTRY**

In terms of employment, the service industry is one of the fastest growing sectors of the economy. It is also the most difficult sector to analyze since services are not generally taxed

and the majority are small businesses. According to the Department of Commerce Census of Service Industries, service industry sales in Grant County increased from \$9,231,000 in 1987 to \$20,609,000 in 1992, an increase of 123.3 percent. These figures only include establishments with payrolls. The number of service industry establishments increased from 58 to 66 for the same period. Table 3-3 shows service industry establishments by type for 1987 and 1992. The greatest increase was in the number of health related services, which almost doubled from 13 to 24 establishments.

<b>Table 3-3</b>			
<b>service industry establishments</b>			
	<u>1987</u>	<u>1992</u>	<u>1997</u>
Hotels, Motels & Other Lodging	9	5	8
Personal Services	14	15	14
Business Services	2	3	4
Auto Repair Services	3	2	8
Amusement & Recreation	3	1	3
Health Services excluding Hospitals	13	24	20
Engineering, Research, Acct. & Management	2	5	10
Other	12	11	3
Total	58	66	70

Source: U.S. Census Bureau

## AGRICULTURE

Although agricultural activity in Grant County has declined somewhat as Grant County becomes more urbanized, agriculture continues to be important to the county's economy and character. Table 3-4 presents agricultural statistics for Grant County. According to the U.S. Department of Commerce census of agriculture, there were 127 fewer farms in Grant County in 1992 as compared to 1982, and 143 fewer in 1997 than in 1992. This represents a decrease of 22.3 percent over a 15-year period. While the total number of farm acres decreased 12.7 percent for the same period, the acres of harvested cropland increased 7.5 percent. Table 3-5A also presents statistics on major crop and livestock production in the county for 1992.

Table 3-4

Year	# of Farms	# of Farm acres	Harvested Cropland
1982	1,206	132,188	21,503

1987	1,053	133,142	22,139
1992	1,079	127,161	23,080
1997	936	115,355	23,930

## TOURISM

The Kentucky Department of Travel Development analyzes the economic impact of Kentucky's tourism and travel industry. Two key areas analyzed at the county level are travel expenditures and tourism industry employment. Tourism and travel industry employment for Grant County, the Northern Kentucky Area Development District and Kentucky for 1989, 1991 and 1993 are shown on Figure 3-4. Grant County gained 263 jobs from 1989 to 1993, an increase of 70.3 percent. Figure 3-5 shows travel expenditures for the same period. Travel expenditures in Grant County more than doubled (an increase of 103.9 %) from 1989 to 1993. Grant County ranks 35th out of 120 counties in terms of travel expenditures in the county. Grant County's tourism industry grew at a faster rate than that of the Northern Kentucky Area Development District overall and Kentucky in terms of both employment and expenditures from 1989 to 1993.

## CIVILIAN LABOR FORCE

The civilian labor force is defined as the sum of both employed and unemployed persons 16 years of age and older, excluding armed forces personnel and persons in penal and mental institutions, sanitariums, and homes for the aged, infirm and needy. Persons "not in the labor force" are those not classified as employed or unemployed and include persons retired, those engaged in their own housework, those not working while attending school, those unable to work because of long-term illness, those discouraged from seeking work because of personal or job market factors and those who are voluntarily idle. Grant County is considered to be a bedroom community rather than an employment center as 53 percent of the county's residents work outside of the county and only 21 percent of those working in the county live outside of the county.

The Grant County labor market includes Grant County and the surrounding counties of Boone, Gallatin, Harrison, Kenton, Owen, Pendleton and Scott. The labor force characteristics of these counties and the labor market area as a whole are shown on Table 3-5B.

Table 3-5A

1992 Crops	Acres harvested	Yield	Production	Ky Rank
Corn for grain (BU)	1,000	97	97,000	98
Soybeans (BU)	----	---	---	---
Wheat for Grain (BU)	----	---	---	---
Burley Tobacco (LBS)	2,580	2,400	6,192,000	33
Alfalfa Hay (tons)	3,100	3.1	9,610	38
all other hay (tons)	17,000	1.9	32,300	50

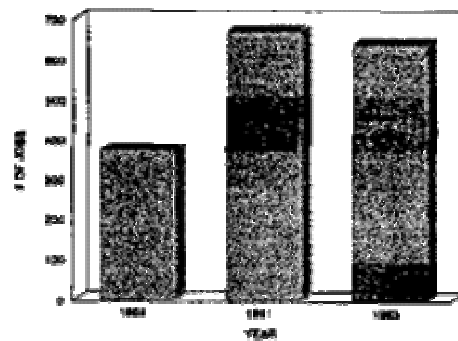
Livestock and Milk	Number	Ky Rank
1/1/93: all cattle and calves	21,500	46
beef cows	9,800	45
12/1/92: all hogs and pigs	500	98

1992: milk production	4,700	62
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1992 Cash Receipts	Dollars	Ky Rank
crops	\$12,370,300	64
livestock	\$6,687,000	69
total cash receipts	\$19,057,000	68

Figure 3-4

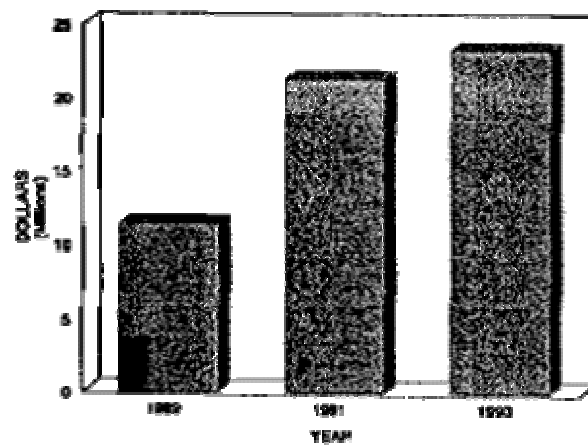
### TOURISM AND TRAVEL INDUSTRY EMPLOYMENT GRANT COUNTY 1989-1993



				% change
	1992	1991	1993	1989-1993
Grant County	374	669	637	70.3%
Northern Ky	8,041	13,012	12,281	52.7%
Kentucky	118,444	147,996	143,097	20.8%

Figure 3-5

### TRAVEL EXPENDITURES GRANT COUNTY 1989-1993





				% change	
	1992	1991	1993	1989- 1993	state rank
Grant County	\$11,455,872	\$21,274,096	\$23,355,698	103.9%	35
Northern Ky	\$285,287,589	\$436,103,663	\$461,289,593	78.6%	
Kentucky	\$2,660,628,557	\$3,323,931,013	\$4,015,074,982	50.9%	

**TABLE 3-5B**

**1992 LABOR FORCE CHARACTERISTICS**

<u>COUNTY</u>	<u>CIVILIAN LABOR FORCE</u>	<u>EMPLOYED</u>	<u>UNEMPLOYED</u>	<u>UNEMPLOYMENT RATE</u>
Grant	8,007	7,341	666	8.3%
<u>Grant-1996</u>	9,100	8,554	546	6.0
Boone	32,517	30,804	1,713	5.3%
Gallatin	2,287	2,102	185	8.1%
Harrison	7,014	6,533	481	6.9%
Kenton	74,722	70,846	3,876	5.2%
Owen	4,223	4,020	203	4.8%
Pendleton	4,493	4,035	458	10.2%
Scott	<u>13,233</u>	<u>12,604</u>	<u>629</u>	4.8%
TOTALS	146,496	138,285	8,211	

Source: 1994 Kentucky deskbook of Economic Statistics

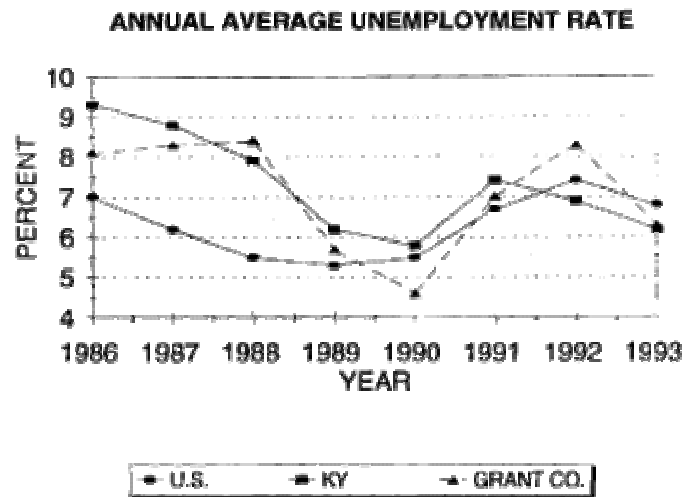
## UNEMPLOYMENT

There were 8,007 residents in the Grant County labor force in 1992, this grew to 9,100 in 1996. An average of 666 residents were unemployed in 1992 yielding an unemployment rate of 8.3 percent. In 1996, this figure was 546, with a 6.0% unemployment rate. The unemployment rates for Grant County, Kentucky and the United States from 1986 to 1993 are shown in Figure 3-6. This figure shows that the unemployment rate in Grant County is usually lower than the rate for Kentucky overall but higher than the U.S. rate. However, it is subject to wide fluctuations. In 1992 and 1993 it is interesting to note that Kentucky's unemployment rate was lower than the U.S. rate overall, historically an uncommon occurrence.

## EMPLOYMENT OF GRANT COUNTY RESIDENTS

The civilian labor force of Grant County is employed in a wide range of industries (Table 3-6). This information is obtained from the U.S. Census and does not reflect the location of employment. The majority of residents are employed in manufacturing, retail trade and educational services. Only 5.5 percent of residents are employed in agriculture, forestry or fisheries.

**Figure 3-6**



Year	U.S.	Kentucky	Grant Co.
1986	7.0	9.3	8.1
1987	5.2	8.8	8.3
1988	5.5	7.9	8.4
1989	5.3	6.2	5.7
1990	5.5	5.8	4.6
1991	6.7	7.4	7.0
1992	7.4	6.9	8.3
1993	6.8	6.2	6.3
1996			6.0

**TABLE 3-6**

## EMPLOYED PERSONS 16 AND OVER BY INDUSTRY

### Residents of Grant County, 1990

Agriculture, Forestry and Fisheries	315
Mining	18
Construction	563
Manufacturing, Nondurable Goods	614
Manufacturing, Durable Goods	824

Transportation	667
Communications and Other Public Utilities	211
Wholesale Trade	213
Retail Trade	1,340
Finance, Insurance and Real Estate	258
Business and Repair Services	200
Personal Services	192
Entertainment and Recreation Services	65
Health Services	419
Educational Services	387
Other Professional and Related Services	295
Public Administration	350
TOTAL EMPLOYED	6,931

Source: 1990 U.S. Census

## GRANT COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

In 1993, the Grant County Judge/Executive appointed the Economic Development Committee to establish the necessary mechanism for the creation of the authority and to recommend persons to serve the committee. In the fall of 1993, the county and cities passed an ordinance establishing the Grant County Industrial Development Authority. Currently, the industrial authority is served by 6 members and an Executive Director. The Industrial Development Authority's office is located on Main Street in Williamstown.

One of the primary responsibilities of the Grant County Industrial Development Authority is to administer a five year marketing and development plan for Grant County. Generally, the Industrial Development Authority concerns itself with the following:

- Marketing and promoting Grant County
- Maintenance and improvement of existing industries
- Attracting new industry
- Promotion of a better business climate
- Improvement of job opportunities
- Protection and improvement of the quality of life

The two main goals of the authority as outlined in their five-year development plan for economic development and industrial development are as follows:

**Goal I:** Provide a strong economic base for Grant County through industrial

development, redevelopment and expansion of existing industrial facilities, and the promotion of special development opportunities.

**Goal II:** Create a diversified industrial base that will provide a broad and stable economy for Grant County.

#### *Identified Industrial Sites*

Three industrial parks currently exist in Grant County. One park is located in Dry Ridge, one in Crittenden, and the other is located in Williamstown. The Dry Ridge site is adjacent to US Highway 25 and the Southern Railroad mainline. The park, owned by the Verst Group, consists of 213 acres with all necessary infrastructure available including a railroad bed. The Crittenden site is 98 acres in size with 42 acres available. The Williamstown industrial park was recently acquired from Addington Resources and is 544 acres.

Sites in Crittenden, Dry Ridge, Williamstown and Corinth are also being identified as mini-parks or single occupancy sites. However, sites in Dry Ridge and Crittenden have been identified as prime areas for future industrial developments.

#### *Future Needs*

As defined in their five year plan, three major areas need to be addressed; Land development, marketing and prospect development. Future challenges that the Industrial Development Authority will be facing is the maintenance of continued funding from the cities, county and the development of new revenue sources from private contributors. In addition, the water and wastewater treatment plants will need to be upgraded in order to accommodate additional growth.

## **COMMUTING PATTERNS**

This section is a breakdown of census data taken for the 1990 census. At this time, no further data is available pending the results of the 2000 census. As indicated in Table 3-7, most Grant County residents work outside of Grant County. Almost four times as many workers commute out of the county than come into the county to work. The preferred method of transportation to work is by car, truck or van with 73.1 percent of residents driving to work alone. The mean travel time to work is 28.4 minutes

**TABLE 3-7**

### **GRANT COUNTY WORKERS 16 AND OVER BY PLACE OF WORK**

	Number	Percent
work and live in Grant County	3,206	46.6
work in KY outside of Grant Co.	2,809	40.8
work outside of KY	864	12.6
total working residents	6,879	
total commuting into Grant County	862	21.2

total living and working in Grant Co.	3,206	78.8
total workers in Grant County	4,068	

#### **Primary areas that Grant County Residents Commute to:**

Boone Co.	1,357 workers
Kenton Co.	913 workers
Hamilton Co., Ohio	762 workers
Fayette Co.	155 workers
Scott Co.	88 workers
Campbell Co.	87 workers

Source: 1990 U.S. Census

### **PERSONAL INCOME**

There are two methods of determining per capita income. The first is on the basis of money income alone. This is the method used by the Bureau of the Census. Total money income includes wages and salaries, net farm and nonfarm self-employment, interest dividends, net rental income, social security and all other regularly received income such as pensions, unemployment compensation and alimony. Receipts not counted include various "lump sum" payments such as capital gains and inheritances. The total represents the amount of income received before deductions. Table 3-8 shows the per capita income and median household income for Kentucky, Grant County, Williamstown, Dry Ridge, Crittenden and Corinth according to the U.S. Census Bureau based on money income. This figure shows that the per capita income for Grant County and all cities except Williamstown are below the state average. Williamstown has a per capita income just above the state average. Some updated figures for the county as a whole, and the state are now available, however, at the time of the 2000 plan update, no figures are available that are broken down by census tract for data per city.

However, when median household income is considered, Crittenden and Grant County overall exceed the state average while the remaining cities are below the state average. Corinth has the lowest income with a median household income, which is 36 percent below that of the state average.

**TABLE 3-8**

#### **Census Income Data - 1989**

JURISDICTION	PER CAPITA INCOME	MEDIAN HOUSEHOLD INCOME	1998 per capita income	1995 Household Income
Grant County	\$10,356	\$24,502	\$18,777	\$31,637
Williamstown	\$11,164	\$21,134		
Dry Ridge	\$8,810	\$18,125		
Crittenden	\$10,430	\$31,731		

Corinth	\$8,592	\$14,375		
Kentucky	\$11,153	\$22,534		

Source: U.S. Census - 1990

The second method of calculating per capita income is more inclusive and is termed personal per capita income. Personal per capita income includes income received from all sources such as wages and salaries, other labor income (employer contributions to private pension funds, jury and witness fees, etc.) proprietor's income, rental income, dividend and interest earnings by individuals and transfer payments not for services rendered (such as food stamps and welfare payments). Personal contributions for social security are deducted. Personal per capita income for Grant County and Kentucky from 1983 to 1991, with updates to 1998, is shown in Table 3-9.

**TABLE 3-9**

**PERSONAL PER CAPITA INCOME**

YEAR	GRANT COUNTY	KENTUCKY
1998	\$18,777	\$22,183
1994	\$14,891	no data available
1991	\$13,860	\$15,626
1987	\$10,656	\$12,216
1983	\$8,362	\$9,518

Source: Kentucky Deskbook of Economic Statistics

## POVERTY RATE

Poverty level is considered to be the minimum level of money income adequate for families of different sizes in consideration of American consumption patterns. These levels are determined by comparing individual or family income with annual income thresholds. The poverty levels are adjusted annually by the U.S. government. The poverty rate is the percentage of individuals or families with incomes below the poverty level. Table 3-10 shows poverty rates for Grant County for 1979, 1989 and 1995 as compared to the rates for Kentucky and the United States overall. While poverty rates in Grant County are lower than the Kentucky average, they are higher than U.S. rates. This figure also shows that poverty rates at all three levels of government increased during the ten-year period from 1979 to 1989. In the six years from 1989 to 1995, both Kentucky and Grant County have reduced poverty rates in the face of increasing poverty nationwide.

**TABLE 3-10**

**Poverty Rate**

	<u>1979</u>	<u>1989</u>	<u>1995</u>	Change <u>1979-1995</u>
Grant County	13.1%	15.1%	14.8	1.7%

Kentucky	17.6%	19.0%	17.9	0.3%
United States	11.7%	13.1%	13.8	2.1%

## SUMMARY

The dramatic growth of the manufacturing sector in recent years has brought a large turnaround in previous trends. In the years from 1989 to 1995, the number of jobs actually declined while other sectors of the job market grew. Since 1995, however, manufacturing has led the way in new job creation in Grant County. This is an important turnaround for two reasons; first, Grant County was fast becoming a “bedroom community” for job markets in other counties. This meant that Grant County was providing services such as public schools for families whose payroll taxes went to other counties. Second, the job growth is now in an area with much better wages than in other sectors of the job market.

The service industry and retail trade sectors are growing rapidly in importance to the local economy, however the jobs created in these sectors tend to be low paying. The amount of land used for agricultural production is slowly declining. Tourism is increasingly important to the local economy and is an area of potential growth. These observations indicate that Grant County is in a period of economic change reflective of changes in the economy of the United States overall. Grant County is also being influenced by growth in Northern Kentucky and the Lexington area to the south, including Georgetown and Scott County. Many residents work in these areas while choosing to live in Grant County. The increase in retail service industries is due in large part to the increase in population and the growth in tourism related businesses.

Grant County should develop an overall economic development plan. Several recommendations to enhance Grant County's economy are as follows:

1. Continue to develop industrial properties and recruit new industries
2. Develop programs to assist in the retention of existing businesses and industry.
3. Stimulate development of small businesses through alternative financing and customized training programs.
4. Promote the growth of the tourism industry through implementation of a long-range marketing plan.
5. Encourage the continuation of agriculture as a vital component of the local economy and encourage local farmers to pursue supplemental crops to tobacco.